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THE

British Empire League,

OFFICES AT

BOTOLPH HOUSE, EASTCHEAP, E.C.
(C. FREEMAN MURRAY, Secretary.)

CANADIAN INSOLVENCY LEGISLATION.

Report of Meeting

OF THE LEAGUE HELD ON

Wednesday, December 4th, 1895,

INCLUDING A STATEMENT BY

The Hon. Sir CHARLES TUPPER, Bart.,

G.C.M.C., C.B.

(High Commissioner for Canada).

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BRITISH EMPIRE LEAGUE.

WITH the Duke of Devonshire as President, Sir John Lubbock as hon. treasurer, Sir Robert Herbert as chairman of the executive, and Mr. C. Freeman Murray, secretary, the British League has lately been established, with every prospect of becoming a truly Imperial organisation.

The primary object of the League is to secure the permanent unity of the Empire, and among the means by which this result may be assisted is the assimilation, as far as local circumstances permit, of the commercial laws throughout the Empire. The attention of the committee having been drawn to the disabilities under which trade is carried on with Canada, in consequence of the absence of any Dominion bankruptcy legislation, by a forcible letter from Messrs. Dent, Allcroft and Co., who have a large Canadian business, communication was entered into with Sir Charles Tupper and with a number of the largest wholesale houses dealing with Canada, which culminated in a meeting being called by the League on the 4th December last, to consider what action should be taken to procure the enactment in Canada of a satisfactory Bankruptcy Law. Sir Robert Herbert, G.C.B., Chairman of the Executive Committee, presided, and among those present were the Hon. Sir Charles Tupper, Bart., G.C.M.G., C.B., Messrs. F. Faithfull Begg, M.P., J. Lowles, M.P., Col. P. R. Innes, W. Herbert Daw, and

C. Freeman Murray (secretary). The following firms were also represented:—I. and R. Morley; Cook, Son & Co.; Dent, Allcroft & Co.; S. Hanson, Son & Barter; Hitchcock & Williams; Phelps, Sidgwick & Biddle; J. Travers & Son, Ltd.; John Howell & Co., Ltd.; Pawsons & Leafs, Ltd.; Copestake, Lindsay, Crampton & Co.; J. H. Buckingham & Co.; J. and C. Boyd & Co.; George Brettle & Co.; Debenham & Freebody; Game, Harrison & Lerner; Harrisons & Crossfield, and Higgins, Eagle & Co.

In consequence of the resolutions adopted at the meeting the Executive Committee have since decided to obtain signatures of bankers, merchants, manufacturers, &c., interested in Canadian trade, approving of the decision arrived at. This document has already been signed by a number of the most important houses in the City of London, and it is intended to obtain the support of provincial houses also.

Sir Robert Herbert, in opening the proceedings, said:—The question of the present position of insolvent debtors in the Dominion of Canada is a very important one, and the subject having been brought under the notice of the Executive Committee of the League by a very lucid and useful letter from Messrs. Dent, Allcroft & Co., they felt they could not hesitate to call this meeting to consider the matter, more especially as I understand there is a good prospect of our representations contributing to a satisfactory result. I may remind you that one of the objects of the British Empire League as shown in its Constitution, which members have before them, is—"To assimilate, as far as local circumstances permit, the laws relating to copyrights, patents, legitimacy, and bankruptcy throughout the Empire." Of course, in dealing with this question, we do not wish to do anything which could have the appearance of interfering with the undoubted right of Canadians to manage their local affairs, and I think perhaps the best mode of opening the question, after the secretary has read Messrs. Dent, Allcroft & Co.'s letter, will be to ask Sir Charles Tupper to explain the steps which have led up to the present position and any difficulties with which the Canadian Government may have to deal.

The Secretary then read the following letter:—

97, Wood-street, London, E.C.

To C. Freeman Murray, Esq.,

October 16th, 1895.

Secretary, The British Empire League.

Dear Sir,—We notice that one of the objects of the League is "to assimilate bankruptcy law throughout the Empire." We desire, therefore, to call your attention to the absence of a bankruptcy law in the Dominion of Canada, and to the consequent prejudicial effect such a condition of things has upon British traders. In the Dominion a debtor can assign a portion of his estate—say his book debts—to his bankers, or elsewhere to the detriment of the rest of his creditors; he can also make preferential payments to favoured creditors. We have not forgotten an instance where a debtor cabled for 3 months' time in order to have a sale to enable him to meet his overdue bills. He forwarded figures showing undoubted solvency on the

face of them. His liabilities were mainly British, but a considerable sum was owing to a Canadian cash creditor. A meeting of a few of the largest creditors was held and the time granted on a promise, subsequently given, that no preferential payment should be made. The time elapsed, and it was then found that he had used the product of his sale to pay in full the Canadian cash creditor. Here, under our Bankruptcy Act, such a payment would be regarded as a fraudulent preference, and would be upset by a Bankruptcy petition. If a Canadian debtor fails, he makes an assignment; it may be to a friendly third party. A composition is offered, probably inadequate, certainly unauthenticated. If we refuse to come in under the assignment we have no remedy and no dividend. If we do assent, it is doubtless conditional upon our granting the debtor his discharge. We may hear that he has been making settlements upon his wife, or in other ways providing for his approaching collapse, still we have no remedy. Under our bankruptcy law an assignment of the whole or any part of a debtor's estate is an act of bankruptcy, so is a preferential payment. If such acts were committed a petition would follow, and the debtor's estate would be fairly and legally administered. Why not in Canada also? Under these circumstances we do not see how it is possible for trade between the Mother Country and Canada to expand, while there is so obvious an absence of equity in the administration of debtors' estates.—We are, dear Sir, yours faithfully,

DENT, ALLCROFT & Co.

SIR CHARLES TUPPER, after a few introductory remarks, then read his statement as follows:—

CANADIAN INSOLVENCY LEGISLATION.

The history of bankruptcy legislation in Canada shows that the laws passed on this subject have all been of a temporary character. They were to continue for a certain period and were enlarged as occasion required.

The first act of the kind in Western Canada was passed in 1843, which was amended and continued by subsequent Acts until 1856, when it ended. After the lapse of several years the Act of 1864 was adopted and remained in force down to the year of confederation.

Under the British North America Act bankruptcy and insolvency are among the subjects delegated to the legislative authority of the Dominion Parliament. In 1869 it was decided to adopt a uniform system of insolvency law for the confederated provinces, and the old Act of 1864 was re-enacted with certain important additions. The law was to remain in force for four years, but it was extended by statute down to 1875, when a further Act was passed, known as the Insolvent Act of 1875, which repealed the former. Changes were introduced in this Act in the Sessions of Parliament of 1876 and 1877. In 1879, less than four years after its adoption, a Bill was introduced to repeal the Act which was passed by the Commons, but was thrown out by a narrow Government majority in the Senate. The Act was repealed in 1880, and from that day to this no fresh legislation by the Dominion Parliament has been placed on the statute book. During the 28 years of the history of the Dominion of Canada, therefore, 17 or 18 years have passed without any general insolvency law being in operation, and 10 to 11 years with legislation of that character on the statute book.

The Act of 1869 provided for voluntary assignments, whereas the Act of 1875 provided for compulsory assignments. The experience of the latter is said

not to have been satisfactory. The law was enacted and came into operation during a time of depression, accentuated by the adoption of a fiscal system, itself detrimental to the growing commercial and industrial interests of the country: Its unpopularity was probably rather due to the abuses of its administration than to the principle it embodied. By a fraudulent use of the law the beneficent intentions of the Act were thwarted, and it became frequently the means of escape to the dishonest debtor, instead of solely a means of relief to the honest but unfortunate debtor, and it was held to have aided in demoralising the trading community. There can be no doubt, however, that the system of credit then obtaining in Canada was largely responsible for the abuses referred to, the laxity and want of attention of creditors encouraging indirectly over-trading by irresponsible and unfit persons to the injury and disadvantage of legitimate trade and honest traders. Applying moreover to one class of the community rather than to debtors generally, it incurred the opposition of the other classes who condemned it for the abuses to which they saw in practice it was open. The merchant and the banking classes, however, were to the last opposed to the total repeal of the law, but as it was evident that there was little hope for the passage by Parliament of amendments calculated to remedy the defects of the law, the Act was allowed to go by the board, in the expectation of the introduction of new legislation at an early date. In the interval there was the existing local legislation dealing with the distribution of the estates of insolvent debtors to fall back upon for the protection of creditors, notably in Quebec, under the common law, and subsequently in Ontario, under special legislation on the subject. In fact, it is now known that in 1879, the repeal of the 1875 Act was purposely delayed by the action of the Senate for one year, to enable the provinces to adopt suitable legislation of which Ontario immediately gave notice and promptly carried into effect the following year.

The repeal of the Dominion Act had, at any rate, the salutary result of effectively curtailing the loose credit system of the day, and of placing it on a healthier basis, and the subsequent progress and stability of the trade of Canada has directed public attention from the necessity of a general insolvency law, until the last year or two. The following statistical position will assist in explaining this circumstance.

Bradstreet gives the failures in Canada, including Newfoundland, for the period 1875-9 at over 26½ million dollars annually, whereas, for the following twelve years, 1880-91, the annual average was only 10 millions. Since that period the failures in Canada—not including Newfoundland—have been as follows:—1892, 11½ millions; 1893, 14½ millions; 1894, 17½ millions, or an average of 14½ million dollars.

It is right to say that the provincial legislation of Ontario and Quebec, though hardly far-reaching enough, has nevertheless been a most useful substitute in these provinces, where the great controlling centres of the commercial and industrial activity of the Dominion are concentrated. Nevertheless, the practical difficulties in preventing the giving of preferences, and making preferential and fraudulent assignments have been great, especially in dealing with insolvent debtors in those provinces which do not possess any insolvency legislation. A further drawback in provincial legislation on this subject is that it has no power to give a discharge to insolvent debtors, the result being a continual addition to the already too numerous list of hopelessly involved bankrupts forced into a condition of business inactivity as undischarged insolvent debtors. (Toronto Board of Trade, 1894.)

There has also been an uncertainty in Ontario and Quebec as to the legality of the insolvency legislation passed by the provinces, but this has been recently (1894) set at rest by a decision of the Imperial Privy Council which sustained the right of the provinces to pass such legislation in the absence of the passage of a Dominion law. The inference to be drawn from the wording of the judgment is held to be that the question of insolvency legislation is one which in the circumstances calls for Dominion action, which, of course, would supersede any local legislation on the subject.

The pressure of the commercial community represented by the Boards of Trade and the Banks for the re-enactment of an Insolvent Act has never been relaxed since 1880. The Government, however, have felt it their duty to resist any proposals of the kind until public opinion was ripe for such a measure. Canada's development in the interval has been so much in advance of all expectations that the need of an Insolvent Law has been gradually gaining ground, and since 1893 has been once more regarded as within the sphere of practical politics. The inconveniences arising out of the growth of a mass of varying provincial legislation on the subject, from the Atlantic to the Pacific, are patent, although some persons are disposed to hold that local legislation is more calculated to meet the special needs of the different provinces than a general Act. The recent decision of the Privy Council already referred to seems to have had the effect of stimulating local legislation on insolvency. In the Maritime provinces which were until the spring of the present year without any insolvent law, New Brunswick has adopted an Act similar to that of Ontario. A similar measure introduced in Nova Scotia was, however, rejected by the Legislative Council as having been submitted too late in the session to receive the examination its importance required.

After considerable consultation with the leading interests the Dominion Government brought in a Bill in 1894 which it is hoped will lay the foundation of permanent legislation on this vexed and difficult question. It was introduced into the Senate by Sir Mackenzie Bowell, the present Premier, and was submitted to a most careful and exhaustive examination before a Select Committee and by the whole House during some four or five weeks. The Bill was admitted to provide very effectively against preferential and fraudulent assignments, but there was considerable difference of opinion as to its applying to all classes of debtors as originally drafted, and in this respect it was altered to include only persons of all classes who could be held to have been engaged in trading within the meaning of the Act. Another point was the fixation of the proportion of the assets to liabilities of an insolvent estate at which the honest debtor should be entitled to a discharge. The feeling in the Senate was generally quite favourable to the Bill, although some felt that more time should be given to its consideration. The Bill after passing the Senate was sent down to the Lower House, where it was read a first time. The advanced period of the Session, and the desire for more time for its adequate discussion led to its abandonment on the promise of Sir John Thompson to re-introduce the Bill in the session of 1895, and also in order that the country might have an opportunity of pronouncing more fully as to its wishes in regard thereto. The real inwardness of the delay in proceeding with the Bill in the Commons may be traced to the lukewarmness, not to say antagonism, suddenly developed by the banking interest, which had hitherto been its most strenuous advocate. The grounds of this opposition are

instructively summarised by the Chairman of the Sub-Committee on Insolvency Legislation of the Montreal Board of Trade in the annual report of 1894. Briefly, in regard to that portion of the Bill which refers to the collocation of claims and the valuation of security, the contention of the bankers was "that they should be allowed to rank for dividends on the full amount of all notes held by them, and that no account should be required by the liquidator until such claim had been paid in full" (Montreal Board of Trade, 1894, pp. 20—1).

According to the promise made, the Bill was re-introduced by Sir Mackenzie Bowell in the Senate during the last session, when it was allowed to drop in the course of the second reading. The Senators from the Maritime Provinces developed more opposition than previously, and even amongst its advocates there now seemed to be indecision as to its immediate adoption. The adoption of legislation by New Brunswick in line with Ontario, and the evident intention of Nova Scotia to follow in the same direction, were urged as meeting the more immediate needs, and to promise the adoption of a more or less uniform local law on insolvency; that although it might be desirable to have a common law affecting all the provinces alike, there should be no hurry, and that as it was not a party question the matter might be delayed until a new Parliament had met when the members fresh from the people would be able to deliberate and decide upon its merits and demerits. Sir Mackenzie Bowell admitted that this last view had great force, and that he would accede to it at once were the matter likely to be a test question at the polls; but that this, in his opinion, would not be thought of unless it was considered in connection with the general question of trade; he thought it would be well therefore to decide now whether the Bill should become law at the present moment or not. The Bill did not come up again after the sitting of that day—May 29th.

It should perhaps be added that the practice of the United States in the matter of insolvency legislation has not been without its effect on the Canadian public. During the last century in the United States a general enactment has only been passed on two occasions, which lasted a short time in each case. Congress was discussing early this year a general bankruptcy law, and one to confer on the different States the power to legislate in accordance with the conditions and requirements of each particular State. It is not known if any or what progress was made with these Bills.

Mr. PHILLIPS (Dent, Allcroft & Co.) said the letter from his firm having been read, it was not necessary to refer to the points raised therein, but the League thought the matter of such importance that they suggested a meeting might be convened of the heads of the wholesale houses in his trade. He had the honour of introducing the Secretary to those gentlemen, and nothing surprised him more than the unanimity of the protest that was raised against the existing state of things in respect to Canadian bad debts. Some gentlemen were loudly vehement when the dormant recollections of past injuries were aroused; some hoped that the League might be of service, or at any rate labour to expose the disabilities under which British traders suffered when dealing with Canadian debtors, consequent upon the absence of a general Canadian Bankruptcy Law. Sir Charles Tupper had told them in his able review of the subject that no general law affecting bankruptcy estates had existed in Canada for the past seventeen years; that period was well within their recollection, and it abounded in instance upon instance where preferential payments to favoured creditors had been made,

where no dividends had ever been paid at all, and where they had had no alternative but to take what was offered without remedy or redress. It had lately been announced that Mr. Chamberlain was asking Colonial Governments to furnish him with information as to the extent of the displacement of British imports by foreign competition. They could tell Mr. Chamberlain where a great displacement of British imports existed, not from fear of foreign competition, but from mistrust in Canada as a debtor. The trade which he had the honour of representing would be greatly indebted to the League if they would press this matter with energy, and to Sir Charles Tupper for services he might be able to render.

Mr. HOWES (Cook, Son & Co.) said he quite agreed with everything Mr. Phillips had said with regard to their particular trade. But there was one subject which he had not touched upon. In taking bills to be discounted where mention is made of the word Canadian, it appears to be received almost with disgust. The Bank of England went even further, because they said if you wanted a Canadian bill discounted you must get an endorsement of a London house in addition to your own. Some years ago, before our present Bankruptcy Act had been brought in, they went as a deputation to Sir John Macdonald, and he very properly said, after politely listening to their remarks, "Adopt an adequate Bankruptcy Act of your own, gentlemen, and then Canada will no doubt follow suit." They now had an Act and he hoped Canada would follow suit.

Mr. HOWARD WILLIAMS (Hitchcock & Williams) endorsed all that had been said by the last speakers about the chaotic condition of the Bankruptcy laws in Canada and of the difficulty of discounting Canadian bills in the London market. The Canadians suffered almost as much as we did from the existing state of the law, which encouraged dishonesty and fraud. A proper Dominion bankruptcy law would raise the commercial status of every honest trader in the country, and would improve the credit of the Dominion. Two or three years ago, a well-known trade journal published in Canada stated that "business morality seemed to be fast following political morality in its swift retreat from this country," an expression of opinion which could not be called extravagant, for statistics of fraudulent bankruptcies proved they were increasing by leaps and bounds. In 1892 there were four times, and in 1893 five times, as many fraudulent bankruptcies in Canada, as compared with 1891. He would like to draw their attention to one of the black spots in the present laws. He referred to the validity of preferential claims and assignments. These had the effect of a bill of sale in this country. They could be given without notice to other creditors, without publication or registration, and were valid even if given within three months of bankruptcy.

A warehouseman either in England or in Canada might have done business with his Canadian customer for years and be satisfied of his standing in the trade and ability to meet his engagements, but he could not be certain when he sold him a parcel that before the time came to pay for the goods the customer might not have given a preferential claim, or made a preferential assignment covering the merchant's goods in payment of an old debt, or to his bankers, or even to a relative, such claim or assignment being perfectly valid according to the present laws; and the merchant could not obtain payment for his goods until the preferential creditor or creditors had received payment in full. But this was not all. A preferential assignment might be used as a means of extorting unusual terms, or of evading the full payment of just debts.

After giving some instances, he said it was satisfactory to know that the

Canadians desired a new Act which should destroy many of the conditions which influenced adversely the credit of the Dominion. He respectfully suggested that a new bankruptcy legislation for Canada to be satisfactory must destroy the validity of preferential claims and assignments.

Mr. TANNER (L. Hanson, Son & Barter) said:—A case had just come under their notice which was a very good reason for their assisting to obtain a Bankruptcy Act in Canada. They lately sent out a consignment of goods to a Canadian firm. Within a short time of receipt of the goods they were assigned to a third party in security for a debt of some kind; practically, the goods were pawned by the firm to whom they were sent, and who had turned out to be insolvent, and he believed they had no remedy. They had the utmost confidence in Sir Charles Tupper, and would be deeply indebted to him if he would assist in removing these difficulties.

Mr. JOHN LOWLES, M.P., said he did not trade with Canada and had not the same lament to make as to cases of Bankruptcy. He would not have risen except for a statement made by one of the speakers, on the authority, apparently, of a correspondent: "that commercial morality in Canada was fast disappearing as political morality had done." He could not help thinking that any one giving utterance to such a statement must be completely ignorant of Canadian politics and Canadian statesmen, during the last decade, at least. It had been his good fortune to pay several visits to the Dominion during the past few years, and to mix freely with her leading statesmen, and he could only say that the latter were as capable and upright, and as jealous of their reputation as were the leading statesmen in the Mother Country. No one could have read the Blue Book containing reports of the proceedings at the Ottawa Conference last year without being struck with the high tone and the lofty aspirations of those distinguished men. Keenly desirous as they were of drawing closer and closer the ties which bound them to the old land, they might be sure that they would readily respond to any reasonable request which would help to do so. Certainly in so important a particular as that of commercial credit they would surely be responsive. He rather thought, however, that the previous speakers had, perhaps unwittingly, exaggerated the extent of the evil. They had been hit here and there and had come to the conclusion that things were worse than they really were. In spite of the dismal stories they had heard, he did not gather that the London houses had stopped their Canadian business, so he supposed they made a profit somewhere. It rather suggested to him the story of the old apple woman, who, while she declared she lost money on every one she sold, yet thanked God she sold a great many of them. He hoped he might be pardoned for having spoken for "the other side," but he could not sit silent and hear the credit of the Dominion, political and commercial, attacked without entering his protest and testifying from his personal knowledge, of the high character of the men who were in power in the Dominion. Her close contiguity to the United States perhaps accounted for some defects in Canadian commercial legislation, but when once her statesmen realised the direction in which reforms were needed, we might be assured they would come. Meantime he recommended the London export houses to be careful of their facts and to present their case in such a way as would secure attention, but not for a single moment to suppose that the British characteristics of sterling honesty and independence were one whit less appreciated in the Colonies than they were at home.

Mr. BIDDLE (Phelps, Sidgwick & Biddle, solicitors) remarked that the general

value of bankruptcy legislation was that it afforded creditors a means of securing a *pro rata* distribution of the estate amongst all creditors, of setting aside voluntary preferences and fraudulent settlements, and of inflicting some sort of punishment on a debtor whose conduct had deserved reprobation. It did not follow that in every case, or even in the majority of cases, creditors would have resort to the Bankruptcy Court. An Act which enabled creditors to seek the remedy if they thought fit, was, in fact, sufficient to restrain the majority of debtors from committing such commercially immoral acts as had been referred to. The majority of the insolvencies in this country were not administered through the Bankruptcy Court. If the debtor's conduct had been satisfactory, and he could account for his deficiency, creditors had no desire to incur the expense and trouble which proceedings in the Court involved.

Merchants in this country had been concerned as creditors from time to time in a very large number of insolvencies in the Australian Colonies. In Victoria, Queensland, and New South Wales, there were insolvency statutes, but he did not think that one in ten Australian insolvencies went into the Insolvency Courts there. The debtors knew that the creditors here insisted on having a voice in the election of a trustee, that they required proper accounts to be presented to them explaining the deficiency, and that they would not submit to voluntary preferences or fraudulent settlements, and that if any of those objectionable features were present they would require the case to be investigated in the Insolvency Courts. The result was that debtors who naturally had no liking for Insolvency Courts when they suspended payment, placed themselves voluntarily in the hands of their creditors who were thus able to deal with the estates much more rapidly and effectively than would otherwise be the case. This, he understood, was what the meeting desired should be the case in Canada. At present there is no Dominion Bankruptcy Legislation. It was true that in, he thought, three of the Provinces there was legislation with reference to assignments, and in Ontario, the Act relating to the assignment of estates had some very useful clauses which enabled a creditor to sue for an assignment, also to examine a debtor on oath before the proper official respecting his estate, and for the avoidance of voluntary assignments. But he submitted that this did not go far enough. In the first place it threw on the individual creditor the responsibility of taking these steps, and there was no power for the creditors to appoint a trustee who should undertake them. As things stood, the trustee of the assignment was usually selected by the debtor or his friends, and he might be a person far from impartial, and wholly unsuited to the position he occupied. It should be possible for the creditors to say, "We will not be parties to this assignment, we disapprove of the trustee you have appointed, we insist on the appointment of our own nominee who, when he has the estate in hand which is available for the expense connected with any investigation that may be necessary, will do all that is proper in the interests of all concerned." He had recently come across a case in which an English creditor sought to set aside a preference given by a debtor in the province of Quebec immediately prior to the execution of an assignment. The proceedings were commenced in March, 1892; judgment in favour of the creditors was not given until July, 1894. The case was carried by the bank, who obtained the preference to the Court of Appeal in January, 1895, and the judgment of the court below was there upheld, and an account was directed to be taken of the amount received by the bank in preference. That account was still in course of being

taken. Now they would see what a grave responsibility such proceedings as these must throw on the creditor, and how considerable an expense he must necessarily be put to whatever the result of the litigation might be. It was in cases such as these that the creditors had a right to say "We ought to be able to appoint a trustee who will undertake these matters instead of being compelled to accept a trustee appointed by the debtor." It would be quite out of place, he thought, for anyone addressing that meeting to suggest in any detail what the provisions of a Bankruptcy or Insolvency Law in Canada ought to be. That was, of course, for the Canadian legislature, and for them only, but, perhaps, one might be permitted to say that from the point of view of British traders, it would be most desirable that any such legislation should provide that the creditors alone should have a voice in the election of a trustee, that there should be power for the Court to set aside voluntary preferences and fraudulent settlements, that the debtor should be required to file adequate accounts, that he should explain how his deficiency arose, and that in cases where debtors have traded recklessly or fraudulently, or with a knowledge of insolvency, they should be liable to punishment. He ventured to think that if the Bankruptcy Act contained these amongst such other provisions as might be considered necessary, British traders would not have further ground for complaint under this head, and that the various questions important in themselves with reference to realisations under assignments which had been referred to at that meeting would practically settle themselves without further difficulty.

After some further discussion it was eventually moved by Mr. Howes (Cook, Sons & Co.) and seconded by Mr. Tanner (S. Hanson, Son & Barter), and unanimously agreed.

1. That in the opinion of this meeting the fact that no legislation exists applicable to all the Provinces of the Dominion of Canada providing for the realisation, administration and distribution of insolvent estates, tends to seriously restrict trade between the Dominion of Canada and Great Britain, and that the confidence of British traders to export goods to the Dominion would be increased if there existed Dominion legislation as to insolvent estates providing for :—(a) A *pro rata* distribution of the proceeds amongst all creditors. (b) The avoidance of preferential payments and voluntary settlements. (c) The filing of adequate accounts by the debtor showing his assets and liabilities, and explaining the deficiency shown by such accounts. (d) The punishment of traders who trade recklessly, fraudulently and with a knowledge of insolvency.

2. That the executive committee of the League be requested to take such steps as it may deem desirable to bring the resolution under the notice of the Canadian Government.

The meeting then adjourned, after votes of thanks to Sir Charles Tupper and the chairman.

